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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

RUCNFRG/FRG COLLECTIVE PRIORITY

RUEHBO/AMEMBASSY BOGOTA PRIORITY 0240

RUEHBR/AMEMBASSY BRASILIA PRIORITY 0296

RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 0195

RUEHCV/AMEMBASSY CARACAS PRIORITY 0126

RUEHGT/AMEMBASSY GUATEMALA PRIORITY 0059

RUEHLP/AMEMBASSY LA PAZ PRIORITY 0099

RUEHPE/AMEMBASSY LIMA PRIORITY 0105

RUEHMU/AMEMBASSY MANAGUA PRIORITY 0042

RUEHME/AMEMBASSY MEXICO PRIORITY 0316

RUEHZP/AMEMBASSY PANAMA PRIORITY 0129

RUEHQD/AMEMBASSY QUITO PRIORITY 0104

RUEHSJ/AMEMBASSY SAN JOSE PRIORITY 0045

RUEHSN/AMEMBASSY SAN SALVADOR PRIORITY 0043

RUEHSG/AMEMBASSY SANTIAGO PRIORITY 0096

RUEHTG/AMEMBASSY TEGUCIGALPA PRIORITY 0046

RUEHUB/USINT HAVANA PRIORITY 0033

C O N F I D E N T I A L SECTION 01 OF 03 BERLIN 000629

SIPDIS

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TAGS: PGOV PREL PHUM CU XM GM

SUBJECT: MERKEL'S LATIN AMERICA TRIP HIGHLIGHTS DIVIDE...OR
AT LEAST POSITIONING...IN THE GRAND COALITION

Classified By: Political Minister Counselor Jeffrey Rathke for reasons
1.4 (b,d).

¶1. (C) Summary: Chancellor Merkel's four-country tour of Latin America got unexpected media attention after Hugo Chavez compared the Chancellor's CDU to the Nazi party. Reflecting their differences in other areas, the CDU and Social Democratic Party (SPD) are promoting different approaches to Latin America. With the exception of Cuba policy, there is little in the way of specific differences -- both parties' Latin America agendas are short on political substance. The Chancellery tells us Merkel will focus primarily on trade, development, and climate change during the trip. On Cuba, the CDU/CSU is clear about the release of political prisoners as an indicator of the regime's intentions, and the Chancellor's staff expects her to address human rights in Cuba (a step we have been advocating with the CDU and in the Chancellery). The SPD, in contrast, is focused on "dialogue" as the way forward, without clear words on human rights. The differences between the CDU and SPD, both real (Cuba) and nebulous (most else) reflect the increasingly fractious policy atmosphere in the Grand Coalition in advance of the 2009 German federal election.
End Summary.

Merkel Intensifies Focus on Latin America

¶2. (SBU) Merkel embarked on her first trip to Latin America as Chancellor visiting Brazil (May 13-14), Peru (May 15-16), Colombia (May 17) and Mexico (May 18-19) for meetings with the respective presidents, civil society and business representatives. During a background briefing for journalists, National Security Advisor Christoph Heusgen stressed that Merkel's main focus will be on economic growth in the region, as well as investment opportunities for German companies. Heusgen noted the Chancellery's interest in intensifying strategic relations with Brazil and Mexico. Heusgen cited these countries' new influence in international politics, which, he said, allows them to take more of a leadership role in addressing global issues such as climate change, trade, and UN Security Council reform. In Peru --

last visited by a German Chancellor thirty years ago -- Merkel will attend the EU-Latin America summit and deliver a keynote speech on combating poverty and promoting social cohesion. Heusgen pointed out that she will be the first German Chancellor ever to visit Colombia, thus signaling support for its "dynamic," reform-oriented policy. He added that counternarcotics will be a major topic in the Chancellor's talks with President Uribe.

¶3. (C) In his press briefing, NSA Heusgen also noted an increased German interest in Latin America resulting from negative developments such as "left-wing populism." He also described the significant divide between rich and poor, despite positive economic performance, as a challenge for the future. Bertil Wenger, foreign policy advisor at the Christian Democratic Union (CDU) headquarters, who accompanied CDU/Christian Social Union (CSU) caucus leader Volker Kauder during a recent trip to Brazil and Mexico, told PolOffs that for the CDU, "globalization with a human face" was an important aspect in their talks with Latin American officials.

CDU Calls for Joint EU-Latin America Partnership

¶4. (U) During a May 8 conference on Latin America strategy hosted by the CDU/CSU Bundestag caucus, Merkel stressed that Germany and Europe should "rush" to intensify relations with

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Latin America since many Asian countries, and China in particular, have already done so. Acknowledging that strong economic development is not possible unless questions of social justice are addressed, the CDU/CSU strategy focuses on securing democratic development as a way to prevent "populist regimes" from arising. The CDU/CSU strategy paper also holds out the possibility of an intensified "democracy dialogue" with the "left-wing populist" governments of the region. The CDU/CSU caucus complains that German policy towards Latin America has failed to develop a lasting and forward-leaning basis and concludes that Germany's main policy goal should be to focus on Latin America as a partner for exercising global leadership and responsibility. In addition to trade promotion and cultural exchange, bilateral relations should focus on global democracy, sustainable raw material development and climate protection, according to the strategy paper.

SPD Concept for a Strategic Partnership

¶5. (SBU) Merkel's trip and the CDU/CSU policy initiative prompted the SPD to draft its own Latin America strategy. During a May 5 conference in Berlin, SPD party chairman Kurt Beck argued for increased dialogue with democratic and left-wing forces in Latin America, attributing their increased strength in the region to a "failed neo-liberal economic model." He commented that capitalism is insufficiently regulated and has resulted in inequitable wealth distribution and a new sense of urgency to address social conditions. According to Beck, expanding the existing partnership between Latin America and Europe into a "strategic partnership" would facilitate progress in dealing with the "challenges" of globalization. Intensified cooperation should also focus on promoting disarmament, regulating international financial markets, halting climate change and combating poverty, Beck said. (Comment: There is little in the SPD's proposals that goes beyond the party's boilerplate positions on these topics or relates them to the Latin American context. End comment.)

Merkel Remarks about Cuba Expected

¶ 16. (C) It is widely anticipated that Merkel will address Cuba during her trip -- Post has been encouraging CDU and Chancellery officials repeatedly in this regard. CDU advisor Wenger said she would raise Cuba because human rights are a hallmark of Merkel's approach to foreign policy. The Chancellery's Latin America Director-equivalent Dominik Mutter noted that Merkel has several opportunities to raise Cuba both in public and in her private conversations. He indicated that she most likely would do so during her stops in Mexico and Brazil. He could not confirm that Cuba would be addressed in Merkel's speech at the EU summit, but indicated that the topic is in the current speech draft. In an interview published May 12, Merkel said the EU and Germany watched developments in Cuba closely. She added that the "first indications of change" would now have to be followed by "genuine improvements" for the people. "This includes the release of the considerable number of dissidents who remain in prison," Merkel said.

¶ 17. (U) During a May 9 parliamentary debate, CDU/CSU foreign policy spokesman Eckart von Klaeden (largely responsible for the CDU/CSU Latin America strategy document described above) acknowledged positive developments in Cuba but said Castro's recent reforms do not go far enough. He called on the Cuban regime to release all political prisoners and to allow Cuban journalist Yoani Sanchez to attend an award ceremony in Spain.

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Steinmeier: Signs of Change in Cuba

¶ 18. (C) Not to be left out of the public activity on Latin America, SPD deputy party chairman and Foreign Minister Frank-Walter Steinmeier announced his own Latin America trip (to take place during the second half of 2008) and said that future developments in Cuba will be an important test case for a new political dialogue between Germany and Latin America. He described recent initiatives under Raul Castro, such as the commutation of some death sentences to life imprisonment, as "small indications of political change" in Cuba and warned against underestimating these developments. Steinmeier said these reforms were more than mere gestures and provided a "chance" for the Cuban people, although Cuba will not turn into a democracy "overnight." He added that future developments will depend on whether Cuba is isolated or whether Europe continues its dialogue with the Cuban regime. Steinmeier indicated a preference for the latter path, and said that he sees a similar discussion going on within the EU. (Comment: Steinmeier did not point out the Cuban Government's failure to engage on the existing EU offer of a dialogue that would also include human rights issues. End comment.)

Chavez Responds Outrageously to Merkel's Remarks on Venezuela

¶ 19. (U) In an interview published the day before her departure, Merkel said with regard to Venezuela that no single country could damage the overall relationship between the EU and Latin America. "President Chavez does not speak for Latin America," Merkel said. Chavez responded angrily, publicly comparing Merkel's CDU to the Nazi party. The Chancellor did not rise to this bait; instead she had her spokesman point out simply that Chavez's comments spoke for themselves.

Comment

¶10. (C) Despite recent attention to Latin America, it does not feature prominently in German foreign policy. Both major parties in the coalition offered little on substance to differentiate themselves. The parties' comments sounded more like reflections of purely domestic concerns, with the SPD connecting Latin American concerns to German domestic issues, such as the perceived negative effects of globalization, minimum wages, and the divide between rich and poor. The CDU, on the other hand, focused more on ensuring that macroeconomic growth results in improved living standards for average citizens. The disinclination to forge a common approach demonstrates the growing political divide in Germany in the run-up to next year's federal elections.

TIMKEN JR